



NEWS RELEASE

CALIFORNIA STATE TREASURER PHIL ANGELIDES

FOR IMMEDIATE RELEASE
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TREASURER ANGELIDES COMMENTS ON RECORD RETAIL-CUSTOMER ORDERS FOR STATE'S ECONOMIC RECOVERY BONDS

NEW YORK – California Treasurer Phil Angelides had the following comments today regarding the record \$2.26 billion in orders that retail customers placed today and Monday for California's \$7.8 billion in Economic Recovery Bonds, or ERBs, which will be priced Wednesday:

"This sale is good news, and it exceeded our expectations. In a very uncertain world, California bonds still remain a safe haven and a good investment. In addition, the bonds were structured in the right way, with double-barreled protection, backed by a dedicated revenue stream that I urged legislators to adopt – an irrevocable, 1/4-cent state sales tax – as well as the full faith and credit of the State. The Treasurer's Office also worked very hard at this, getting the word out to the retail investor community, including conference calls with more than 400 retail brokers.

"Given the announcement today by the Federal Reserve that indicated that interest rates may be rising, it appears that this office's decision to move up the sale of the ERBs by a month will result in lower interest and borrowing costs for California taxpayers."

Angelides on Wednesday will discuss institutional orders and the pricing of the \$7.8 billion in ERBs in a teleconference with reporters:

TELECONFERENCE INFORMATION (For Reporters Only, Please)

- **DATE: Wednesday May 5, 2004**
- **TIME: 1:30 p.m. - 2:15 p.m. EDT (10:30 a.m. – 11:15 a.m. PDT)**
- **CALL-IN NUMBER: (888) 813-9023**
- **CONFERENCE LEADER: Phil Angelides**
- **PASSCODE: Bonds**

A recorded replay of the teleconference will be available approximately one hour after the conclusion of the call, and will continue through 11:59 p.m. EDT (8:59 p.m. PDT) Friday, May 7, 2004. Call-in number for the replay is: (800) 814-6391.